

Commissioner of Insurance



Department Description

The mission of the Department of Insurance is to regulate the insurance industry in the state and to serve as advocate for the state's insurance consumers.

The goals of the department are:

To regulate the industry in the state (licensing of producers and insurers, serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently and by proposing new laws as needed.

To provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.

The Department of Insurance is composed of two programs: Administration/Fiscal Program and Market Compliance Program.

For additional information, see:

[Commissioner of Insurance](#)

Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Means of Financing:						
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State General Fund by:						
Total Interagency Transfers	0	0	0	0	0	0
Fees and Self-generated Revenues	22,990,268	25,504,204	25,644,030	26,017,545	26,791,290	1,147,260
Statutory Dedications	828,967	1,230,129	1,090,303	1,090,303	1,099,342	9,039
Interim Emergency Board	0	0	0	0	0	0



Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Federal Funds	221,537	209,436	257,586	255,936	255,936	(1,650)
Total Means of Financing	\$ 24,040,772	\$ 26,943,769	\$ 26,991,919	\$ 27,363,784	\$ 28,146,568	\$ 1,154,649
Expenditures & Request:						
Commissioner of Insurance	\$ 24,040,772	\$ 26,943,769	\$ 26,991,919	\$ 27,363,784	\$ 28,146,568	\$ 1,154,649
Total Expenditures & Request	\$ 24,040,772	\$ 26,943,769	\$ 26,991,919	\$ 27,363,784	\$ 28,146,568	\$ 1,154,649
Authorized Full-Time Equivalents:						
Classified	246	250	248	248	248	0
Unclassified	27	27	29	29	29	0
Total FTEs	273	277	277	277	277	0



04-165 — Commissioner of Insurance

Agency Description

The mission of the Department of Insurance is to regulate the insurance industry in the state and to serve as advocate for the state's insurance consumers.

The goals of the department are:

- I. To regulate the industry in the state (licensing of producers and insurers, serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently and by proposing new laws as needed.
- II. To provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.

The Department of Insurance is composed of two programs: Administration/Fiscal Program and Market Compliance Program.

For additional information, see:

[Commissioner of Insurance](#)

Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Means of Financing:						
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State General Fund by:						
Total Interagency Transfers	0	0	0	0	0	0
Fees and Self-generated Revenues	22,990,268	25,504,204	25,644,030	26,017,545	26,791,290	1,147,260
Statutory Dedications	828,967	1,230,129	1,090,303	1,090,303	1,099,342	9,039
Interim Emergency Board	0	0	0	0	0	0
Federal Funds	221,537	209,436	257,586	255,936	255,936	(1,650)
Total Means of Financing	\$ 24,040,772	\$ 26,943,769	\$ 26,991,919	\$ 27,363,784	\$ 28,146,568	\$ 1,154,649
Expenditures & Request:						
Administrative	\$ 8,883,416	\$ 9,152,103	\$ 9,152,103	\$ 8,492,093	\$ 9,505,099	\$ 352,996
Market Compliance	15,157,356	17,791,666	17,839,816	18,871,691	18,641,469	801,653
Total Expenditures & Request	\$ 24,040,772	\$ 26,943,769	\$ 26,991,919	\$ 27,363,784	\$ 28,146,568	\$ 1,154,649



Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Authorized Full-Time Equivalents:						
Classified	246	250	248	248	248	0
Unclassified	27	27	29	29	29	0
Total FTEs	273	277	277	277	277	0



165_1000 — Administrative

Program Authorization: The Louisiana Constitution of 1974, Article IV, Section 11; Title 36, Chapter 17 of the Louisiana Revised Statutes; Title 22 of the Louisiana Revised Statutes; Act 83 of 1977 (Reorganization Act); Act 477 of 1992 (Reorganization Act); Act 850 of 1984 (Equal Opportunity in Insurance); Act 517 of 1992, (Operations of the Louisiana Insurance Guaranty Association with the Louisiana Department of (Insurance); Act 1312 of 1999 (Insurance Fraud Assessment); Act 293 of 2003 (Insurance Fraud); Act 351 of 2003 (Flexible Rating)

Program Description

The mission of the Administration/Fiscal Program is to provide necessary administrative and operational support to all areas of the department, and to attract insurers to do business in the state.

The goal of the Administration/Fiscal Program is:

- I. To provide necessary administrative and operational support to the entire department, and to attract insurers to do business in the state.

The Administration/Fiscal Program is organizationally composed of the Office of the Commissioner and Office of Management and Finance.

Office of the Commissioner - Internal Audit, Minority Affairs (LRS36:687), and Public Affairs (LRS 36:690).

Office of Management and Finance - (LRS 36:684) Fiscal Affairs, Information Technology, Assessments and Data Management, Human Resources, Administrative Services, Strategic and Operational Planning.

Administrative Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Means of Financing:						
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State General Fund by:						
Total Interagency Transfers	0	0	0	0	0	0
Fees and Self-generated Revenues	8,853,417	9,122,103	9,122,103	8,462,093	9,472,726	350,623
Statutory Dedications	29,999	30,000	30,000	30,000	32,373	2,373
Interim Emergency Board	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Total Means of Financing	\$ 8,883,416	\$ 9,152,103	\$ 9,152,103	\$ 8,492,093	\$ 9,505,099	\$ 352,996
Expenditures & Request:						



Administrative Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Personal Services	\$ 3,822,383	\$ 4,346,030	\$ 4,346,030	\$ 4,684,221	\$ 4,647,940	\$ 301,910
Total Operating Expenses	1,751,349	1,744,299	1,781,439	1,810,654	1,781,439	0
Total Professional Services	244,508	398,622	458,622	252,700	723,622	265,000
Total Other Charges	1,785,597	1,808,317	1,711,177	1,658,018	1,654,052	(57,125)
Total Acq & Major Repairs	1,279,579	854,835	854,835	86,500	698,046	(156,789)
Total Unallotted	0	0	0	0	0	0
Total Expenditures & Request	\$ 8,883,416	\$ 9,152,103	\$ 9,152,103	\$ 8,492,093	\$ 9,505,099	\$ 352,996
Authorized Full-Time Equivalents:						
Classified	60	61	61	61	61	0
Unclassified	7	7	7	7	7	0
Total FTEs	67	68	68	68	68	0

Source of Funding

This program is funded from Fees and Self-generated Revenues and Statutory Dedications. Fees and Self-generated Revenue funds are derived from various fees and licenses authorized by R.S. 22. The Statutory Dedications are from the Insurance Fraud Investigation Fund from assessments on various insurance policies written in Louisiana. (Per R.S. 39:36B. (8), see table below for a listing of expenditures out of each Statutory Dedicated Fund).

Administrative Statutory Dedications

Fund	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Insurance Fraud Investigation Fund	\$ 29,999	\$ 30,000	\$ 30,000	\$ 30,000	\$ 32,373	\$ 2,373

Major Changes from Existing Operating Budget

General Fund	Total Amount	Table of Organization	Description
\$ 0	\$ 0	0	Mid-Year Adjustments (BA-7s):
\$ 0	\$ 9,152,103	68	Existing Oper Budget as of 12/03/04
Statewide Major Financial Changes:			
\$ 0	\$ 61,031	0	Annualize Classified State Employee Merits
\$ 0	\$ 54,516	0	Classified State Employees Merit Increases



Major Changes from Existing Operating Budget (Continued)

General Fund	Total Amount	Table of Organization	Description
\$ 0	\$ 7,736	0	Civil Service Training Series
\$ 0	\$ 41,627	0	State Employee Retirement Rate Adjustment
\$ 0	\$ 42,628	0	Group Insurance for Active Employees
\$ 0	\$ 22,695	0	Group Insurance for Retirees
\$ 0	\$ 125,208	0	Salary Base Adjustment
\$ 0	\$ (77,908)	0	Attrition Adjustment
\$ 0	\$ 86,500	0	Acquisitions & Major Repairs
\$ 0	\$ (854,835)	0	Non-Recurring Acquisitions & Major Repairs
\$ 0	\$ (60,489)	0	Risk Management
\$ 0	\$ 2,972	0	Civil Service Fees
\$ 0	\$ 392	0	CPTP Fees
\$ 0	\$ 1,086,546	0	Office of Information Technology Projects
Non-Statewide Major Financial Changes:			
\$ 0	\$ (150,000)	0	Disaster Recovery Plan
\$ 0	\$ (60,000)	0	Rebate for Premium Reduction for Military Auto Liability (Act 770 of 2004)
\$ 0	\$ 24,377	0	Administrative Support Job Study
\$ 0	\$ 9,505,099	68	Recommended FY 2005-2006
\$ 0	\$ 0	0	Less Governor's Supplementary Recommendations
\$ 0	\$ 9,505,099	68	Base Executive Budget FY 2005-2006
\$ 0	\$ 9,505,099	68	Grand Total Recommended

Professional Services

Amount	Description
\$475,000	Professional service contracts used to assist the Department in information technology projects, Fiscal and Management System Migration
\$248,622	Professional service contracts used to assist the Department in information technology projects, on site training and other miscellaneous contracts
\$723,622	TOTAL PROFESSIONAL SERVICES

Other Charges

Amount	Description
	Other Charges:
	This program does not have funding for Other Charges for Fiscal Year 2005-2006
\$0	SUB-TOTAL OTHER CHARGES



Other Charges (Continued)

Amount	Description
Interagency Transfers:	
\$62,557	Legislative Auditor fees
\$38,410	Civil Service - administrative cost for personnel services
\$4,638	Comprehensive Public Training Program (CPTP)
\$35,222	Uniform Payroll Services
\$18,655	Treasury Banking fees
\$14,318	DOA - State Printing
\$121,232	Capitol Security - Public Safety Services
\$680,160	Louisiana Office Facilities Corporation - maintenance of state-owned buildings
\$428,467	Office of Telecommunications Management
\$204,552	Risk Management
\$97	Secretary of State - Miscellaneous Boxes
\$65	Secretary of State - Dues and Subscriptions
\$10,000	Department of Labor - Unemployment Compensation
\$3,198	DOA - State Mail
\$761	DOA - Forms Management
\$25,000	Department of Public Safety - Defensive Driving
\$6,720	Department of Public Safety - Rental space for computers in the data center
\$1,654,052	SUB-TOTAL INTERAGENCY TRANSFERS
\$1,654,052	TOTAL OTHER CHARGES

Acquisitions and Major Repairs

Amount	Description
\$41,250	Replacement of Workstations as approved by Office of Information Technology
\$570,296	Replacement of personal computers, laptops, printers, servers, power vault storage units as approved by Office of Information Technology
\$86,500	Replacement of five (5) network color printers; and ten (10) network black/white printers
\$698,046	TOTAL ACQUISITIONS AND MAJOR REPAIRS

Performance Information

- (KEY) Work with all areas of the department, the legislature, other state agencies and private interests to increase the number of financially sound, consumer responsive insurers doing business in the state.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable



Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: The National Association of Insurance Commissioners (NAIC) is the national organization that exists to promote effective insurance regulations and protection of consumers. Our accreditation remains in effect until suspended or revoked. Periodic audits are conducted by the NAIC to determine if continued accreditation is appropriate. This indicator is expressed as a percentage because the LAPAS system can accept only numeric expression. The most recent review of DOI by NAIC occurred in 2003.

Performance Indicators

L e v e l	Performance Indicator Values					
	Yearend Performance	Actual Yearend Performance	Performance Standard as Initially Appropriated	Existing Performance Standard	Performance At Continuation Budget Level	Performance At Executive Budget Level
	Performance Indicator Name FY 2003-2004	Performance Indicator Name FY 2003-2004	Performance Indicator Name FY 2004-2005	Performance Indicator Name FY 2004-2005	Performance Indicator Name FY 2005-2006	Performance Indicator Name FY 2005-2006
K	Percentage of accreditation by the National Association of Insurance Commissioners retained (LAPAS CODE - 6389)	100%	100%	100%	100%	100%

Administrative General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of licensed domestic insurers (LAPAS CODE - 912)	178	172	162	119	116
Number of licensed foreign/alien insurance companies (LAPAS CODE - 913)	1,919	1,713	1,768	1,335	1,391
Number of surplus lines companies approved and monitored (LAPAS CODE - 914)	109	142	142	140	149
Total number of companies licensed and approved (LAPAS CODE - 911)	2,206	2,027	2,079	2,125	2,486

2. (SUPPORTING) Risk assessment/audit schedule, including time limits for each scheduled audit for the fiscal year, is completed and approved by the agency head or his/her designee prior to the start of the fiscal year.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
S	Number of repeat internal audit findings (LAPAS CODE - 887)	0	0	0	0	0	0
S	Number of repeat findings in legislative auditor's report (LAPAS CODE - 6395)	0	0	0	0	0	0

Administrative General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of internal audits scheduled (LAPAS CODE - 13786)	Not Applicable	Not Applicable	Not Applicable	3	5
Number of internal audits performed (LAPAS CODE - 6393)	7	7	5	3	3
Percentage of internal audit recommendations accepted (LAPAS CODE - 6394)	100%	100%	100%	100%	100%

3. (SUPPORTING)Assessment invoices are mailed no later than thirty days prior to the due date of the assessment. The section within DOI that is responsible for revenue outstanding and delinquent is notified so that any available recourse for collection can be taken (revocation, suspension of license, cease and desist order, etc.). Revenue is batched and classified within 24 hours.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006
S	Percentage of revenue classified within 72 hours of its deposit to state treasury (LAPAS CODE - 13787)	90%	100%	95%	95%	95%

Administrative General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of different tax types collected (LAPAS CODE - 898)	9	9	9	8	8
Number of different fees and assessments collected (LAPAS CODE - 891)	38	38	38	40	40
Taxable premiums in (\$billions) (LAPAS CODE - 892)	\$ 9	\$ 9	\$ 10	\$ 11	\$ 12
Tax collections as percentage of taxable premiums (LAPAS CODE - 893)	113%	107%	142%	169%	169%
Total premiums subject to Louisiana Insurance Rating Commission (LIRC) assessment in (\$billions) (LAPAS CODE - 894)	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2
Total amount of LIRC assessment collected in (\$millions) (LAPAS CODE - 895)	\$ 5	\$ 5	\$ 4	\$ 5	\$ 5
LIRC assessment collection as percentage of subject premiums (LAPAS CODE - 896)	42%	42%	43%	47%	47%
Total fees collected in (\$millions) (LAPAS CODE - 6397)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Total amount of revenues collected from taxes, assessments, fees, penalties and miscellaneous - in (\$millions) (LAPAS CODE - 890)	\$ 10	\$ 10	\$ 15	\$ 16	\$ 16

4. (SUPPORTING) Increase the scope of services and information through the DOI website. Maintain, support and update or expand as necessary the department's various databases and systems.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable



Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: The indicators for this division may change over the term of the strategic plan as initiatives are completed and new ones begin.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
S	Percentage completion of on-line access to producer licensing renewal (LAPAS CODE - 13789)	50%	50%	65%	65%	90%	90%
S	Percentage completion of on-line access to consumer complaint filing (LAPAS CODE - 13790)	50%	40%	50%	50%	50%	50%
S	Percentage completion of on-line access to Forms Review/Approval Matrix and related conversion (LAPAS CODE - NEW)	Not Applicable	Not Applicable	30%	30%	50%	50%
This is a new indicator for fiscal 2004/05 and does not appear in Act 813 of the 2003 Regular Session. The performance standard shown here is an estimate only.							

Administrative General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of service request forms received (LAPAS CODE - 6399)	2,877	2,880	1,719	2,080	3,557
Percentage of service requests satisfactorily fulfilled within 2 business days (LAPAS CODE - 10148)	90%	92%	93%	71%	78%

5. (SUPPORTING) Make available via the internet, by mail, etc., and through training/educational seminars information to assist minority and disadvantaged persons who wish to obtain employment in the insurance industry or related service companies. Conduct a survey every other year to determine the minority/disadvantaged persons employed as professionals or para-professionals with insurers doing business in Louisiana.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable



Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: - A standard company is an insurer that rates a risk up or down from standard rates, depending upon various factors, and uses standard terms and conditions in its policies. It has been difficult for minority/disadvantaged producers to obtain the contract or company appointment that would allow them to sell the standard insurers' products to their clients. We continue with informal counseling and educational/training across the state, as well as with college outreach.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
S	Number of standard companies to which disadvantaged/minority producers have access (LAPAS CODE - 10161)	11	9	12	12	12	12
S	Number of persons attending semi-annual training seminars (LAPAS CODE - 13793)	Not Applicable	78	50	50	80	80
Number of persons attending semi-annual educational/training seminars was reported as "Number of educational/training seminars provided" through an error on DOI's part. Rather than request a change in indicator we are retaining the indicator13793 as stated above, and reporting the actual results for that indicator rather than the number into LAPAS in error.							



165_2000 — Market Compliance

Program Authorization: The Louisiana Constitution of 1974, Article IV, Section 11; Title 36, Chapter 17 of the Louisiana Revised Statutes; Title 22 of the Louisiana Revised Statutes; Act 83 of 1977 (Reorganization Act); Act 477 of 1992 (Reorganization Act); Act 850 of 1984 (Equal Opportunity in Insurance); Act 517 of 1992, (Operations of the Louisiana Insurance Guaranty Association with the Louisiana Department of Insurance; Act 1312 of 1999 (Insurance Fraud Assessment); Act 293 of 2003 (Insurance Fraud); Act 158 of 2000 (Producer Licensing), Act 351 of 2003 (Flexible Rating), Act 711 of 2004 (Automobile Theft and Insurance Fraud Prevention Authority)

Program Description

The mission of the Market Compliance Program is to regulate the insurance industry in the state and to serve as advocate for insurance consumers.

The goals of the Market Compliance Program are:

- I. To regulate the insurance industry in the state (licensing of producers and insurers).
- II. To serve as advocate for insurance consumers by enforcing existing laws fairly and consistently and by proposing new laws as needed.

The Market Compliance Program is organizationally composed of the Office of Licensing and Compliance, the Office of Financial Solvency, the Office of Property & Casualty Insurance, the Office of Life and Annuity, the Office of Health Insurance, and the Office of Receivership.

Office of Licensing and Compliance - Initial and renewal licensing of insurance producers; licensing of insurers; insurance fraud investigation and prevention; legal support services.

Office of Financial Solvency - Financial examinations and analyses of domestic insurers; market conduct examinations; examination of surplus lines brokers; collection of insurance premium and surplus lines taxes on behalf of the state's general fund.

Office of Property & Casualty Insurance - Consumer complaint investigations and contract/policy forms review; activities related to insurance rating; support activities for insurance rating commission; actuarial services.

Office of Life and Annuity - Consumer complaint investigations and contract/policy forms review

Office of Health Insurance - Consumer complaint investigations and contract/policy forms, advertising and rate review; Senior Health Insurance Information Program (SHIIP); licensing and examination of Medical Necessity Review Organizations (MNROs).

Office of Receivership - Management of the assets of companies in receivership; liquidation of the assets of companies in receivership through final, court-approved closure.



Market Compliance Budget Summary

	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Means of Financing:						
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State General Fund by:						
Total Interagency Transfers	0	0	0	0	0	0
Fees and Self-generated Revenues	14,136,851	16,382,101	16,521,927	17,555,452	17,318,564	796,637
Statutory Dedications	798,968	1,200,129	1,060,303	1,060,303	1,066,969	6,666
Interim Emergency Board	0	0	0	0	0	0
Federal Funds	221,537	209,436	257,586	255,936	255,936	(1,650)
Total Means of Financing	\$ 15,157,356	\$ 17,791,666	\$ 17,839,816	\$ 18,871,691	\$ 18,641,469	\$ 801,653
Expenditures & Request:						
Personal Services	\$ 11,326,893	\$ 12,244,328	\$ 12,145,745	\$ 13,168,649	\$ 13,058,855	\$ 913,110
Total Operating Expenses	1,020,440	1,199,599	990,733	1,005,936	990,733	0
Total Professional Services	2,328,713	3,899,798	3,950,872	4,013,988	3,949,222	(1,650)
Total Other Charges	443,992	447,941	743,386	683,118	642,659	(100,727)
Total Acq & Major Repairs	37,318	0	9,080	0	0	(9,080)
Total Unallotted	0	0	0	0	0	0
Total Expenditures & Request	\$ 15,157,356	\$ 17,791,666	\$ 17,839,816	\$ 18,871,691	\$ 18,641,469	\$ 801,653
Authorized Full-Time Equivalents:						
Classified	186	189	187	187	187	0
Unclassified	20	20	22	22	22	0
Total FTEs	206	209	209	209	209	0

Source of Funding

This program is funded from Fees and Self-generated Revenues, Statutory Dedications and Federal Funds. The Fees and Self-generated Revenues are derived from various fees and licenses authorized by R.S. 22 and the La. Insurance Rating Commission assessment authorized by R.S. 22:1419. The Statutory Dedications are from the Administrative Fund (Health Insurance Portability Administrative Act) comprised of penalties and an assessment not to exceed .0005 of the amount of premiums received in this state by Health insurers during the preceding year ending December 31. Statutory Dedications are also from the Automobile Theft and Insurance



Fraud Prevention Authority Fund; and the Insurance Fraud Investigation Fund from assessments on various policies written in Louisiana. The Federal Funds are provided under the Health Care Financing Research, Demonstration and Evaluations Information Grant made under the authority of Section 4360 of the Omnibus Budget Reduction act of 1990 (Public Law 101-508). (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each Statutory Dedicated fund.)

Market Compliance Statutory Dedications

Fund	Prior Year Actuals FY 2003-2004	Enacted FY 2004-2005	Existing 2004-2005	Continuation FY 2005-2006	Recommended FY 2005-2006	Total Recommended Over/Under EOB
Administrative Fund- Department of Insurance	\$ 529,975	\$ 668,720	\$ 668,720	\$ 668,720	\$ 668,720	\$ 0
Insurance Fraud Investigation Fund	268,993	293,000	293,000	293,000	299,666	6,666
Auto. Theft and Insurance Fraud Prev. Auth. Fund	0	238,409	98,583	98,583	98,583	0

Major Changes from Existing Operating Budget

General Fund	Total Amount	Table of Organization	Description
\$ 0	\$ 48,150	0	Mid-Year Adjustments (BA-7s):
\$ 0	\$ 17,839,816	209	Existing Oper Budget as of 12/03/04
Statewide Major Financial Changes:			
0	181,036	0	Annualize Classified State Employee Merits
0	162,422	0	Classified State Employees Merit Increases
0	48,199	0	Civil Service Training Series
0	116,954	0	State Employee Retirement Rate Adjustment
0	131,020	0	Group Insurance for Active Employees
0	69,755	0	Group Insurance for Retirees
0	406,533	0	Salary Base Adjustment
0	(226,748)	0	Attrition Adjustment
0	(9,080)	0	Non-Recurring Acquisitions & Major Repairs
0	(1,650)	0	Non-recurring Carryforwards
0	(35,467)	0	Administrative Law Judges
Non-Statewide Major Financial Changes:			
0	23,939	0	Administrative Support Job Study



Major Changes from Existing Operating Budget (Continued)

General Fund	Total Amount	Table of Organization	Description
0	(65,260)	0	Automatic Call Distribution (ACD) costs in the Department of Insurance.
\$ 0	\$ 18,641,469	209	Recommended FY 2005-2006
\$ 0	\$ 0	0	Less Governor's Supplementary Recommendations
\$ 0	\$ 18,641,469	209	Base Executive Budget FY 2005-2006
\$ 0	\$ 18,641,469	209	Grand Total Recommended

Professional Services

Amount	Description
\$3,949,222	Accounting, auditing, and legal contracts to assist the Department in fulfilling legislatively mandated examinations of insurers, actuarial reviews of rate submissions, etc.
\$3,949,222	TOTAL PROFESSIONAL SERVICES

Other Charges

Amount	Description
	Other Charges:
\$82,936	Transcribing services for hearings
\$82,936	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$88,840	Division of Administrative Law for administrative hearings
\$157,003	Department of Justice - Legal services
\$309,264	Office of Telecommunications Management
\$1,794	DOA - State Mail
\$2,462	Office of the State Register
\$360	Secretary of State for dues and subscriptions
\$559,723	SUB-TOTAL INTERAGENCY TRANSFERS
\$642,659	TOTAL OTHER CHARGES

Acquisitions and Major Repairs

Amount	Description
	This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2005-2006.



Performance Information

1. (KEY) Work with Information Technology (IT) division to increase access to department services and information via internet/website. Work with National Association of Insurance Commissioners (NAIC) to develop nationwide standards for insurance regulation and consumer protection and propose legislation as necessary to support those standards.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A company appointment is the contract between the producer and the insurance company that allows the producer to offer the company's products for sale to his/her clients. Licenses are issued to Property & Casualty producers in one year, to Life and Health producers in alternating years.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006
K	Number of new producer licenses issued (LAPAS CODE - 6416)	15,500	18,185	18,000	18,000	15,500
K	Number of producer license renewals processed (LAPAS CODE - 6417)	33,800	38,747	30,000	30,000	29,500
K	Number of company appointments processed (LAPAS CODE - 934)	325,000	401,068	415,000	415,000	385,000

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Total number of licensed producers (LAPAS CODE - 933)	62,928	55,193	57,892	66,509	67,839



2. (KEY) Develop instructions for insurers to follow in preparing applications and filings for submission to the department and return to insurers those filings that do not comply with the instructions.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Percentage of company filings and applications processed during the fiscal year in which they are received (LAPAS CODE - 11942)	85%	97%	85%	85%	90%	90%
K	Average number of days to review company filings and applications (LAPAS CODE - 6420)	75	42	60	60	60	60

3. (KEY) Increase the depth of experience and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way a claim was handled, but the company or producer may have acted properly and within the law.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Average number of days to investigate to conclusion a Life & Annuity (L&A) complaint (LAPAS CODE - 13958)	75	73	60	60	55	55
K	Amount of claim payments/premium refunds recovered for complainants (LAPAS CODE - 13959)	\$ 1,000,000	\$ 763,384	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of L&A complaints received (LAPAS CODE - 13960)	Not Available	603	501	534	611
Complaints received during the last ninety days of the fiscal year may be counted in the next fiscal year.					
Number of L&A complaints investigations concluded (LAPAS CODE - 13961)	Not Available	613	547	506	628
Complaints received during the last ninety days of the fiscal year may be counted in the next fiscal year.					

4. (KEY) Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: All contract/policy forms must be reviewed/approved by DOI before they can be offered for sale in the state. Delays in the process can result in the state's consumers not having access to those products and to insurers not being able to sell those products. Good efficiency in this area is important to our department-wide efforts to attract more companies to do business in the state.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Average number of days to process L&A contract/ policy forms (LAPAS CODE - 13988)	30	9	25	25	25	25
K	Percentage of L&A contract/policy forms approved (LAPAS CODE - 13987)	60%	79%	70%	70%	70%	70%

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of L&A contract/policy forms received (LAPAS CODE - 13990)	7,789	6,614	7,350	8,096	10,083
Number of L&A contract/policy forms processed (LAPAS CODE - 13991)	8,166	9,591	9,761	8,536	9,897

5. (KEY) Work with the producer and company licensing divisions to educate insurance and producer license applicants in the proper submission of complete applications. Increase the depth of knowledge and training among personnel through training and monitoring of less experienced examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: An initial investigation means a complaint is investigated to determine whether a full investigation should be initiated, or if the report should be entered into the database and maintained for possible additional investigation at a later date. Most delays in completion of background checks are the result of insurers or producers not fully completing applications and filings. The fraud division is working with producer and company licensing divisions to educate insurers and producers in this area.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Percentage of initial claim fraud complaint investigations completed within 10 working days (LAPAS CODE - 12276)	85%	82%	85%	85%	85%	85%
K	Percentage of background checks completed within 15 working days (LAPAS CODE - 12278)	85%	79%	85%	85%	85%	85%

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of claim fraud investigations opened (LAPAS CODE - 12282)	495	504	837	1,025	1,552
Number of claim fraud investigations referred to law enforcement agencies (LAPAS CODE - 959)	3	16	58	80	191
Number of producer/company investigations opened (LAPAS CODE - 12279)	379	816	538	255	595
Number of producer/company investigations referred to law enforcement (LAPAS CODE - 12281)	12	108	24	28	42
Number of background checks performed of company and producer licensing divisions (LAPAS CODE - 962)	2,045	2,242	3,395	1,452	2,167

6. (KEY) Monitor regulated entities to detect all adverse financial and other conditions, take remedial steps as necessary, and maintain compliance with NAIC standards for financial and market conduct examinations.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable



Explanatory Note: The examination and analysis program has resulted in earlier detection of troubled companies. The financial examination (onsite/field examination) and analysis components of the program complement each other. Analysis is the annual review of required filings, ongoing operations and examination findings, while onsite/field examination involves the companies' financial status. Each company has a score, developed via weighted criteria, that will determine its position on the exam schedule. Companies may be examined earlier based on these scores. DOI is currently examining companies more frequently than the statutory mandate of at least once every five years. Market conduct exams may occur as result of complaints or problems detected in other states, and may be performed in conjunction with financial exam or independent of any financial exam. Financial exam findings are considered in the annual analysis and findings from the analysis feed into the scheduling of financial examinations. A change in law now allows domestic companies to maintain their financial records outside of the state, which has increased our examination costs and somewhat slowed examination scheduling to accommodate travel.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Number of market conduct examinations performed (LAPAS CODE - 6411)	30	26	30	30	30	30
K	Number of market conduct examinations performed as a result of complaints (LAPAS CODE - 11937)	27	Not Provided	20	20	20	20
Although LAPAS shows this Performance Indicator correctly as a number, the Supporting Document had been showing it, in error, as a percent.							
K	Percentage of domestic companies examined - financial (LAPAS CODE - 11938)	18%	18%	18%	18%	18%	18%
Approximately 2% (10% overall in a five-year cycle) do not require examination per statute; therefore the percentage of companies requiring examination at least every five years is 18%.							
K	Percentage of domestic companies analyzed - financial (LAPAS CODE - 11939)	100%	89%	100%	100%	100%	100%
K	Percentage of companies other than domestic companies analyzed - financial (LAPAS CODE - 11940)	20%	11%	20%	20%	20%	20%
S	Number of zone examinations in which participating states file dissenting (minority) reports (LAPAS CODE - 13869)	0	0	0	0	0	0
A zone examination is a financial examination in which examiners from other states in which the company operates may participate. Zone exams are fairly rare when the exam and analysis program is working well, which it has done for several years now.							



Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of companies examined - financial (LAPAS CODE - 6410)	39	37	31	26	30
Number of companies examined - market conduct (LAPAS CODE - 6411)	33	29	30	26	35
Number of companies analyzed - financial (LAPAS CODE - 612)	413	542	585	245	285
Number of companies in administrative supervision at beginning of fiscal year (LAPAS CODE - 13768)	5	5	7	5	7
Number of companies placed in administrative supervision during fiscal year (LAPAS CODE - 921)	0	3	6	1	2
Number of companies returned to good health/ removed from supervision during fiscal year (LAPAS CODE - 922)	0	4	5	1	3
Average number of months a company remains in administrative supervision (LAPAS CODE - 923)	24	24	22	23	23

7. (KEY) Continue to perform field audits of selected surplus lines brokers and desk examinations of all premium tax returns.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A surplus lines broker is a person who solicits, negotiates or procures a policy of insurance with an approved, unauthorized insurer, known as a surplus lines company, when insurance cannot be obtained from insurers licensed to do business in the state. All premium tax returns undergo desk examination. A change has resulted in an increase in the number of surplus lines brokers licensed in the state; we are performing more examinations, but the percentage of brokers examined has gone down, owing to the increase in the number of licensed brokers.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Additional taxes and penalties assessed as a result of audit (in millions) (LAPAS CODE - 889)	\$ 1.50	\$ 2.31	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
K	Percentage of surplus lines brokers examined (LAPAS CODE - 6396)	20%	12%	15%	15%	10%	10%
S	Number of field examinations of surplus lines brokers performed (LAPAS CODE - 900)	40	63	50	50	60	60
S	Number of desk examinations performed for tax purposes (LAPAS CODE - 901)	1,725	2,005	1,843	1,843	2,050	2,050

8. (KEY) Increase the depth of knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way a claim was handled, but the company or producer may have acted properly and within the law.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Number of days to conclude a Property & Casualty (P&C) complaint investigation (LAPAS CODE - 10204)	90	82	80	80	80	80
K	Amount of claim payments and/or premium refunds recovered for P&C complainants (LAPAS CODE - 954)	\$ 2,700,000	\$ 2,802,944	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of P&C complaints received (LAPAS CODE - 14211)	2,278	2,388	2,501	2,413	2,274
Number of P&C complaints investigations concluded (LAPAS CODE - 14212)	Not Available	2,926	1,891	2,402	2,271
In prior years, P&C and L&A complaints/claims and forms were done together, by one unit, and no distinct records were kept by type of claim or form. These are now handled by separate units and the data are tracked for each.					

9. (KEY) Increase the depth of expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in the state's consumers not having access to those products and to insurers not being able to sell those products. Good efficiency in this area is important to our department-wide efforts to attract more companies to do business in the state.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Average number of days to process P&C contract/policy forms (LAPAS CODE - 13939)	45	19	30	30	25	25
K	Percentage of P&C contract/policy forms approved (LAPAS CODE - 13940)	35%	44%	35%	35%	35%	35%

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of P&C contract/policy forms received (LAPAS CODE - 13942)	35,908	2,806	3,425	2,022	25,763
Number of P&C contract/policy forms processed (LAPAS CODE - 13943)	20,304	31,742	1,891	24,264	24,862

10. (SUPPORTING) Develop and distribute instructions for industry to follow in preparing rate/rule filings for submission. Increase the use of automated tracking for rate/rule filings to determine turn-around times whether acted upon by LIRC or by the department.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: Changes in laws governing insurance rate/rule approval over the last few years have led to flexible rating and use and file. The LIRC no longer acts upon all rate/rule changes in the state. All changes are reviewed by the department's actuarial staff and appropriate action is taken as a result of the actuary's recommendations. The Rate and Rule division personnel perform preparatory, review and support services to the LIRC and to the department's actuarial staff.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
S	Average number of days from receipt of filing/ submission by OPAC staff to placement on rating commission agenda (LAPAS CODE - 13945)	24	25	24	24	24	24
S	Average number of days from receipt of filing/ submission by actuary from OPAC support staff to actuary's recommendation (LAPAS CODE - 13949)	32	20	32	32	32	32
S	Average number of days from receipt of rate filing/ submission to completion of review by DOI (LAPAS CODE - NEW)	Not Applicable	Not Applicable	30	30	30	30

This is a new indicator for FY 2004/05; it did not appear under Act 14 of 2003, and has no performance standard for FY 2003-2004.

Continuation values shown take into account that many changes have occurred in laws related to rating and the operation of the LIRC and DOI.

Values are set conservatively until trends can be determined on the workflow, etc.

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values					
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	
Total written premiums (property, casualty, surety and inland marine) subject to regulation by the DOI - in (\$ billions) (LAPAS CODE - 974)	\$ 4.529	\$ 4.676	\$ 4.641	\$ 5.600	\$ 6.430	
The indicator name has been changed to delete reference to the LIRC (Louisiana Insurance Rating Commission) and refer to DOI instead. The same thing is being measured, but changes in the role of the rating commission make this change in wording necessary.						
Continuation values shown take into account that many changes have occurred in laws related to rating and the operation of the LIRC and DOI.						
We are setting these conservatively until we have a better feel for the impact of these changes on the workflow, etc.						
Number of submissions reviewed by actuary (LAPAS CODE - 971)	427	451	414	587	697	
Market impact of rate change submissions approved by LIRC (LAPAS CODE - 973)	\$ -0.66	\$ 1.79	\$ 4.68	\$ 7.41	\$ 2.77	
Number rate/rule submissions received (LAPAS CODE - 13957)	1,926	1,946	1,858	3,685	1,050	



AUTOMOBILE INSURANCE COSTS AND COSTS AFFECTING THEM LOUISIANA COMPARED TO NATIONWIDE - 2002		
LOUISIANA'S RANKING	ITEM	COST
5th	Combined Average Premium	\$1,064.54
11th	Liability Average Premium	\$544.24
7th	Collision Average Premium	\$330.30
12th	Comprehensive Average Premium	\$190.00
32nd	Average Repair Cost Per Claim	\$2,028.00
13th	Vehicle Thefts Per 1000 Vehicles	5.93
16th	Hospital Inpatient Days	3,433,204
16th	Number of Outpatient Visits	10,060,381
21th	Hospital Expenses	\$6,196,896,942

Source: National Association of Insurance Commissioners

11. (KEY) Increase the depth of experience and training among personnel through increased training and mentoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Complaints are investigated to determine whether the insurance company or producer performed in compliance with the law and the terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way the claim was handled, but the company or producer may have acted properly and within the law. Health complaints are handled by three separate divisions within the Office of



Health Insurance: Quality Management handles complaints involving major medical and excess/stop loss insurance and compliance with state and federal HIPAA laws; Supplemental Health Plans handles complaints involving limited benefit insurance plans and federal Medicare programs; and Quality Assurance handles complaints involving compliance with state and federal laws governing medical necessity, appeals and prompt payment of major medical insurance claims.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Average number of days to investigate to conclude a consumer health complaint (LAPAS CODE - 987)	75	66	60	60	60	60
K	Amount of claim payments/premium refunds recovered for health coverage complainants (LAPAS CODE - 989)	\$ 2,000,000	\$ 1,131,135	\$ 2,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of health complaints received (LAPAS CODE - 6424)	2,268	2,066	1,962	1,477	1,266
Number of health complaint investigations concluded (LAPAS CODE - 6425)	2,951	1,238	2,112	1,516	1,270

12. (KEY) Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable



Explanatory Note: All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in consumers not having access to new products and to insurers not being able to sell new products. Efficiency in this area is strong support for our department-wide effort to attract insurers to the state. New laws, rules and regulations, as well as the policy form matrix and better-trained staff have all contributed to improvements in this area. The Office of Health approves rates and advertising in addition to contract/policy forms.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard	Actual Yearend Performance	Performance Standard as Initially Appropriated	Existing Performance Standard	Performance At Continuation Budget Level	Performance At Executive Budget Level
		FY 2003-2004	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	FY 2005-2006
K	Average number of days to process health contract/policy forms, advertising and rates (LAPAS CODE - 12990)	30	11	30	30	30	30
K	Percentage of health contract/policy forms, advertising and rates approved (LAPAS CODE - 985)	65%	71%	65%	65%	65%	65%

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual	Prior Year Actual	Prior Year Actual	Prior Year Actual	Prior Year Actual
	FY 1999-2000	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
Number of health insurance contract/policy forms, advertising and rates received (LAPAS CODE - 986)	5,881	5,326	7,181	7,988	6,747
Number of health insurance contract/policy forms, advertising and rates processed (LAPAS CODE - 10212)	6,367	9,380	9,620	8,142	6,729



HEALTHCARE INSURANCE - PERSONS NOT COVERED BY HEALTH INSURANCE IN LOUISIANA IN 2001 AND 2002		
INSURANCE COVERAGE	LOUISIANA 2001	LOUISIANA 2002
Percent of population not covered by health insurance	19.3%	18.6%
Number of persons not covered by health insurance	845,000	820,000
Percent of children not covered by health insurance	12.7%	11.9%
Percent of population covered by government health insurance	31.0%	33.8%
State Children's Health Insurance Program (LaCHIP) enrollment	74,407	87,675
Medicaid cost per recipient	5,213	\$5,859
Medicaid expenditures*	4,309,670,892	\$4,885,972,000
Percentage of Louisiana population covered by military health insurance	6.0%	4.7%
Percent of population enrolled in Medicaid	13.5%	18.6%
Percentage of population covered by private health insurance	---	60.8%

* Total Medicaid expenditures for the United States in 2002 - \$246,283,943,000

Source: Health Care State Rankings 2004 by Morgan Quitno Corp., Lawrence, Kansas

13. (KEY) Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: MNRO's (Medical Necessity Review Organizations) must, by statute, be examined no less frequently than once every three years. The first examination cycle began in FY 2003/04. Complaints or other indications of problems may lead to examination of an MNRO earlier than its scheduled examination date. Exit examinations may also occur earlier than the scheduled statutory examination date.



Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Number of Medical Necessity Review Organizations (MNROs) to be examined per statutory schedule (desk examinations) (LAPAS CODE - 14038)	15	19	66	66	60	60
K	Number of MNROs examined (LAPAS CODE - 14044)	15	16	66	66	60	60

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of MNRO filings and applications - new and renewal - received (LAPAS CODE - 12134)	Not Applicable	103	100	97	145
Number of MNRO filings and applications - new and renewal - processed (LAPAS CODE - 12147)	Not Applicable	80	128	97	112
"Processed" means that an application or filing has been reviewed and approved or disapproved.					

14. (KEY) Increase awareness of the program through presentations at fairs, meetings, etc. across the state and through home site visits.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable



Explanatory Note: SHIIP (Senior Health Insurance Information Program) is funded by federal grant. Savings to seniors are calculated using a formula developed by the Federal Health Care Financing Administration. Savings may result when assistance leads to the percentage not covered by Medicare being counted, or a client learning that he/she is eligible for other programs that can lead to Medicaid paying deductibles, premiums or co-payments, or in determining the best supplemental or Medicare HMO coverage for the client's needs. Savings, if any, depend upon the situation of the individual senior being counseled.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard	Actual Yearend Performance	Performance Standard as Initially Appropriated	Existing Performance Standard	Performance At Continuation Budget Level	Performance At Executive Budget Level
		FY 2003-2004	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	FY 2005-2006
K	Estimated savings to counseled senior health clients (LAPAS CODE - 995)	\$ 1,000,000	\$ 753,403	\$ 750,000	\$ 750,000	\$ 1,000,000	\$ 1,000,000
K	Number of seniors receiving services (telephone, home-site, at fairs, group presentations, etc.) (LAPAS CODE - 12125)	18,000	23,208	19,000	19,000	16,000	16,000

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of group presentations provided (LAPAS CODE - 999)	134	125	136	131	151
Number in attendance at group presentations (LAPAS CODE - 996)	7,561	7,396	4,867	5,476	7,265
Number of senior health volunteer counselor training sessions conducted (LAPAS CODE - 997)	11	9	14	4	3
Number of senior health publications distributed (LAPAS CODE - 1000)	45,880	71,351	63,762	52,750	63,811

15. (KEY)Manage the estates of companies in receivership through liquidation of assets and court-approved closure.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable



Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: Recovered assets of companies in receivership go to the companies' creditors, two of which are the Louisiana Insurance Guaranty Association (LIGA) and the Louisiana Life and Health Insurance Guaranty Association (LHIGA). Neither the Department of Insurance nor the State General Fund receive any monies from the recovered assets of these companies. All final closures must be court approved.

Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values					
		Yearend Performance Standard FY 2003-2004	Actual Yearend Performance FY 2003-2004	Performance Standard as Initially Appropriated FY 2004-2005	Existing Performance Standard FY 2004-2005	Performance At Continuation Budget Level FY 2005-2006	Performance At Executive Budget Level FY 2005-2006
K	Number of companies brought to final closure (LAPAS CODE - 904)	3	1	3	3	3	3
K	Total recovery of assets from liquidated companies (LAPAS CODE - 908)	\$ 20,300,000	\$ 4,160,000	\$ 16,950,000	\$ 16,950,000	\$ 4,000,000	\$ 4,000,000

Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 1999-2000	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004
Number of companies in receivership at beginning of fiscal year (LAPAS CODE - 12273)	20	17	22	19	18
Number of companies brought to final court-approved closure during fiscal year (LAPAS CODE - 904)	3	3	1	0	1



